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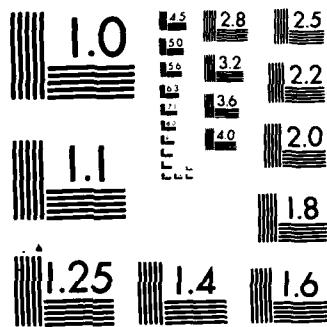
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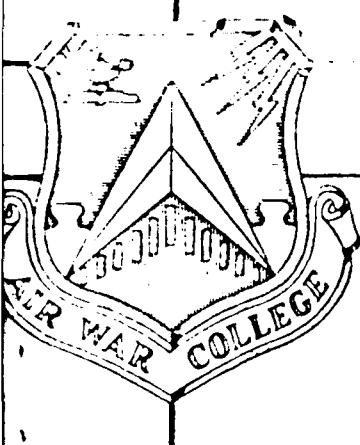
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AIR WAR COLLEGE

RESEARCH REPORT

No. AU-AWC-85-011

AFCOMS: DOES THIS SOA NEED AN EXECUTIVE
DEVELOPMENT PROGRAM?

By COLONEL DANIEL P. ADAMSON, JR.

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AIR WAR COLLEGE
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AFCOMS: DOES THIS SOA NEED AN
EXECUTIVE DEVELOPMENT PROGRAM?

by

Daniel P. Adamson, Jr.
Colonel, USAF

A RESEARCH REPORT SUBMITTED TO THE FACULTY
IN
FULFILLMENT OF THE RESEARCH
REQUIREMENT

Research Advisor: Colonel James I. Ferrell

MAXWELL AIR FORCE BASE, ALABAMA

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AIR WAR COLLEGE RESEARCH REPORT ABSTRACT

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AUTHOR: Daniel P. Adamson, Jr., Colonel, USAF

The Air Force Commissary Service (AFCOMS) is responsible for the management of all commissary and troop issue functions throughout the USAF. AFCOMS generates \$2.1 billion in annual sales at 137 activities that employ over 9,500 people. Significant management expertise is required to manage this vast Air Force "business" activity. AFCOMS does not presently have a formal program of executive development and needs one to ensure there are sufficient professionally educated, trained and experienced individuals available to assume the executive management positions in the organization as they become vacant in the years to come. This study explains the AFCOMS mission and organization in detail, discusses its accomplishments and present problems, and analyzes its present executive manning and future needs. The study concludes with a dissertation on the merits of executive development programs in general and finally outlines an executive development program for AFCOMS.

BIOGRAPHICAL SKETCH

Colonel Daniel P. Adamson, Jr (MS, University of Colorado) recently completed a two-year tour as the Inspector General, Air Force Commissary Service and is thus intimately familiar with the management and operations of that separate operating agency. He is a distinguished graduate of the Air Command and Staff College, where his study on the Planning and Management of Base Closures received the Commandant's Award for Excellence and the Air Force Association's Award for Best Research Paper. Colonel Adamson is a graduate of the Air War College, class of 1985.

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CHAPTER I
INTRODUCTION

Objectives of the Study

The Air Force Commissary Service (AFCOMS) is, for all intents and purposes, a \$2.1 billion per year retail business. It is comprised of over 9500 people, operating at 137 locations throughout the world,¹ and is managed largely by retired noncommissioned officers. AFCOMS does not have an executive development program and needs one.

Management within AFCOMS is provided by a variety of professional civilian job series and occupational specialties, e.g., commissary management specialists, comptroller, data automation, civil engineers, administration, etc. The predominant job series is the commissary management occupational specialty. This study deals exclusively with this professional occupational specialty, since it is this specialty that is tasked with managing day-to-day operations and is principally responsible for overall mission effectiveness and accomplishment.

The principal objective of this study is to develop a document that reviews in detail the AFCOMS multifaceted, multibillion dollar "business-like" mission, its organizational structure and executive-level manning, to include educational levels; discusses the problems presently being encountered in achieving optimal mission accomplishment; reviews executive development programs in general; and outlines a suggested executive development program tailored to satisfy AFCOM's management needs, which will, over the long term, result in much greater productivity, reduced personnel turmoil and much greater mission accomplishment.

Significance of the Work

The study will show that, although AFCOMS has improved commissary operations significantly throughout the Air Force since its inception in 1976, managerial problems still exist today, due in part to a lack of an executive development program. Modern management expertise is generally lacking in AFCOMS. There have been high inventory losses due to theft and fraud, operational efficiency has been lacking in many commissaries, and, to an extent, job dissatisfaction resulting in high personnel turnover exists. The job of managing the extensive Air Force commissary network is massive, replete with potential problems. The best possible managers are needed to ensure this important Air Force management job is done and is done right. Dollar losses to the Air Force as a whole and to commissary patrons in particular (via losses recovered by increased prices) through fraud and general inefficiency have been significant.

Much of this problem is attributed to a lack of knowledge and experience of key management personnel at both the operating and various headquarters levels, the innate desire of many managers to simply satisfy the customer (merely sell groceries), with little concern or regard for the cost of doing business. Findings contained in numerous AFCOMS/IG Management Effectiveness Inspection (MEI) reports and Reports of Investigations, and Reports of Audit rendered by the Air Force Audit Agency (AFAA) support these concerns and, again, it is the lack of general modern managerial education, expertise, and professional development that underlies the problems enumerated herein. There have been many improvements in the selection and promotion of senior managers during the past two years. Regardless, AFCOMS needs an executive development program, and implementation of the program outlined in this paper should result in a much better operating posture for AFCOMS over the long term.

Organization of the Report

Chapter 2 describes the AFCOMS mission and greatly emphasizes the magnitude of this tremendously large Air Force "business." Chapter 3 provides further detailed background regarding the organizational structure and the professional manning allocated to manage the agency. The current educational levels of the individuals assigned to the various management organizations are also shown. Chapter 4 concentrates on the specific managerial problems AFCOMS faces today. AFCOMS' MEI reports and AFAA reports are the primary sources from which these problems are drawn. The purpose of Chapters 2-4 is to formulate the problem, i.e., describe the mission and magnitude of the organization; the organizational structure and substructure implemented to manage the organization; the numbers, experience and educational levels of the executive personnel tasked with day-to-day management of the organization--and the results, both the positive and negative, but with emphasis on the negative. The reader should be able to glean from these three chapters the essence of the problem the author is attempting to depict--a large organization with a highly significant mission managed largely by people that lack the professional education and managerial expertise normally required of organizations of this magnitude. Chapter 5 discusses and stresses the importance of executive development programs in general and develops a model program from a review of literature on the subject that reviews successful programs in industry and government. Chapter 6 is a suggested program for AFCOMS.

CHAPTER 2

THE AFCOMS MISSION

Prior to the inception of AFCOMS, base commissaries were managed by the respective major air commands. However, the magnitude of the commissary mission Air Force-wide dictated the need for centralized management and AFCOMS was activated as a separate operating agency in the USAF on 1 April 1976. Its headquarters is located at Kelly AFB, Texas.

AFCOMS is required to provide food for all Air Force dining halls (this is referred to as troop issue), provide commissary retail stores at all Air Force installations to satisfy the grocery needs of authorized customers, generate sufficient earnings to offset operating costs, and provide funds for the renovation and construction of commissary facilities. Costs are to be minimized, service maximized, and facilities and equipment are to be modernized.

AFCOMS manages 251 activities throughout the world, 137 retail sales stores and 114 troop support functions. Sales during 1984 were \$2.21 billion (\$2.06 billion commissary sales and \$145 million troop support sales). Additionally, 60.3 million customers are served each year. AFCOMS' average grocery inventory is \$250 million.

Manpower authorizations in FY85 are:

Officers	57
Airmen	1036
Civilians	<u>8428</u>
TOTAL	9521

It is significant to note that real growth in sales is increasing by 19 percent per annum, while manpower has been decreasing at 14 percent per annum and further decreases are anticipated.

AFCOMS' overall supervision is provided by a Board of Directors, the Chairman of which reports to the Chief of Staff of the Air Force. The Board of Directors membership is as follows:

Director of Engineering and Services, Chairman

Commander, Air Force Commissary Service

One general officer designated by each of the following:

- Comptroller of the Air Force, HQ USAF
- DCS Personnel, HQ USAF
- DCS Research-Development & Acquisition, HQ USAF

One general officer designated by a major command

(Rotated Annually)

Chief Master Sergeant of the Air Force

AFCOMS, commanded by a major general, is comprised of two overseas regions that manage all AFCOMS' overseas activities and 15 continental US commissary complexes (similar to air divisions) that are tasked with the management of the commissary activities within their respective geographical areas. Each complex is responsible for the management of from three to eight commissaries. Appendix A portrays each overseas region's and continental complex's geographical area of responsibility.

AFCOMS also manages a new facility construction program. Forty-one new commissaries were constructed between FY76-84, at a cost of \$181.5 million. Fifty-seven new facilities are programmed between FY85-89, at a programmed cost of \$467.4 million. Funds for commissary construction are generated from the 5 percent surcharge added to individual patron sales.

From the standpoint of servicing the individual customer, AFCOMS' mission insists that local commissary managers provide outstanding

professional and courteous service; a clean, pleasant store and shopping environment; fresh, high-quality merchandise; well-stocked shelves; the best possible prices; and quick, efficient check-out service. The mission requires maximum service at minimum cost.

AFCOMS has accomplished a great deal since its inception. Customer savings have improved significantly, and facilities and service have improved tremendously. Numerous productivity enhancements have been initiated, e.g., scanning and an extensive management information system.

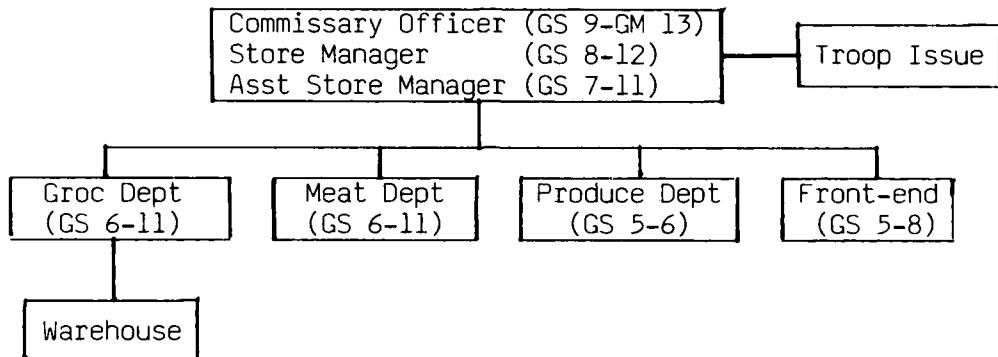
AFCOMS faces numerous challenges during the coming years. Its wartime capability, although improving, is inadequate. Personnel turnover remains high, sales continue to grow rapidly, and serious manpower shortfalls exist. In summary, AFCOMS faces a sizeable management challenge.²

CHAPTER 3

ORGANIZATIONAL STRUCTURES, MANNING AND EDUCATIONAL LEVELS OF AFCOMS BASE-LEVEL OPERATING ACTIVITIES AND MANAGEMENT HEADQUARTERS

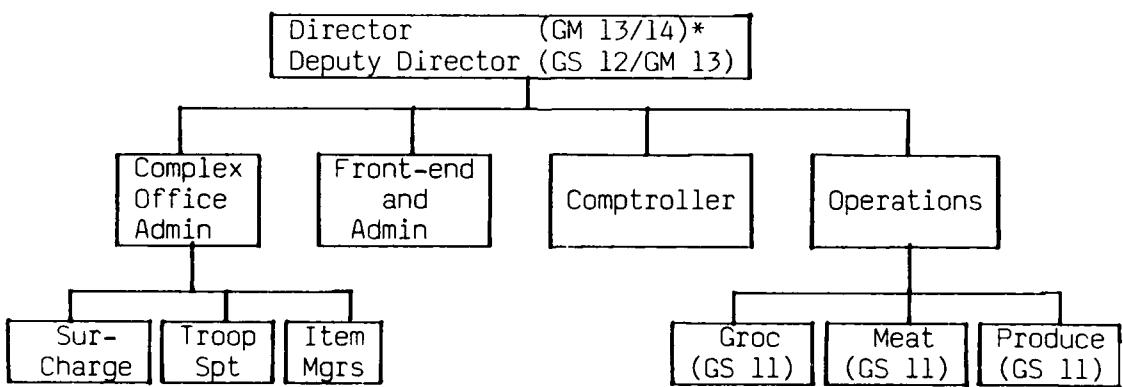
Organizational Structure

Commissaries are organized as follows:



The commissary officer, store manager, assistant store manager and the grocery, meat and produce department managers are professional commissary management specialists (GS/GM 1144 7-13). Specific grades within individual commissaries vary, depending on a number of factors, with sales being the predominant factor.

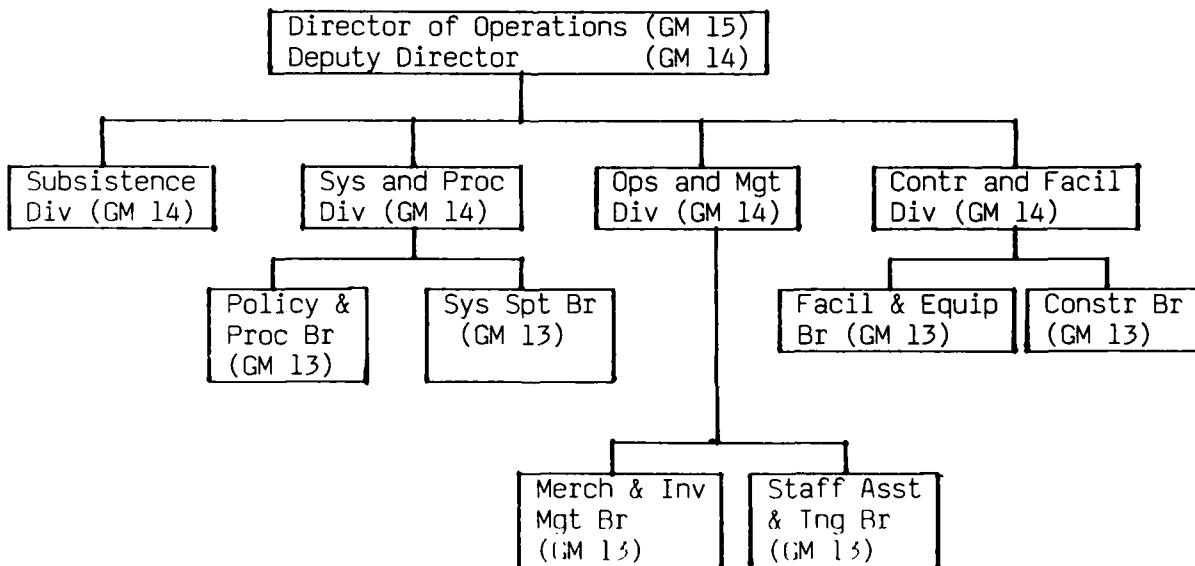
Commissary complex offices are organized as follows:



*Only the grades of commissary management specialists are shown.

The overseas regional headquarters are organized principally like the complex offices; the only differences lie in the size of the functions and subfunctions, more personnel are authorized and assigned, and, of course, the supervisory grades are higher, e.g., the commander is a colonel (O-6), deputy is GM 14, director of operations is GM 13, etc.

HQ AFCOMS is organized principally like most major commands, i.e., directorates of operations, personnel, plans, civil engineering, comptroller, inspector general, etc. However, since this study deals exclusively with commissary management specialists (GS/GM 7-15), only the directorate of operations is shown here since almost all commissary management specialists are assigned to this directorate. Exceptions are the deputy to the commander (an SES position), and the inspector general wherein there are three of these specialists assigned as inspection team chiefs (GS 13), one assigned as an inspector (GS 12), and one assigned as deputy inspector general (GM 14). (All other commissary specialist inspectors are military).



Summary Grade Data

Commissary management specialists assigned to AFCOMS, by grade:

<u>Grade</u>	<u>No Assigned</u>
GS 7	72
GS 8	23
GS 9	53
GS 10	47
GS 11	110
GS 12	110
GM 13	46
GM 14	14
GM 15	<u>1</u>
TOTAL	476 ³

Educational Levels by Grade

<u>Grade</u>	<u>No HS Diploma</u>	<u>HS Diploma</u>	<u>2-yr Assoc Degree</u>	<u>Bach Degree</u>	<u>Mast Degree</u>	<u>Total</u>	<u>Percent of Total w/Bach/Mast Degree</u>
7	5	52	4	10	1	72	1.4
8	4	16	2	1	0	23	.4
9	5	39	6	2	1	53	.6
10	2	41	2	2	0	47	.4
11	6	83	7	13	1	110	12.7
12	5	81	9	14	1	110	13.6
13	1	36	1	6	2	46	17.4
14	0	9	0	4	1	14	35.7
15	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
	28	358	31	52	7	476	12.4 ⁴

Retired Enlisted Military Personnel

The numbers of commissary management specialists that are retired enlisted military personnel are depicted as follows:

	<u>Assigned</u>	<u>Ret Enl Mil</u>	<u>Percent Ret EM</u>
Complex Offices	49	26	53
AFCOMS	<u>37</u>	<u>15</u>	<u>41</u>
TOTAL	86	41	48

In total, there are 91 retired enlisted personnel assigned as commissary management specialists within AFCOMS and 18 of 32, or 56 percent, of the complex directors and deputy complex directors per se are retired enlisted military personnel.⁵

Analysis

The above information depicts the management structure of AFCOMS and that portion of the structure that is the purview of the commissary management specialist (GS/GM-1144). Recognizing there are other staff functions and specialties throughout the management structure, the commissary management specialists constitute the essence of the management team. As these charts and the information in Chapter 2 depict, AFCOMS is, indeed, a large organization with a "large" mission and requires a sizeable management structure to accomplish its mission. It also requires a great deal of management talent.

CHAPTER 4

MANAGEMENT PROBLEMS IN AFCOMS

Major General George C. Lynch became the third Commander of AFCOMS in January 1982 and immediately began attempts to identify any and all management problems that existed in AFCOMS at that time. To facilitate this effort, he established an inspector general (IG) directorate within the headquarters. Four months later, the IG began an MEI program, wherein all AFCOMS units (commissaries, complexes, and regional headquarters) would be inspected every two years. After one year's inspection activity, 40 percent of the units inspected were rated either marginal or unsatisfactory.

It should be noted that AFCOMS' inspection standards were very high; nonetheless, many activities were failing to conform to minimum standards of customer service, operational compliance, and financial and personnel management. Serious problems and trends were identified.

Examples of poor performance included insufficient inventory and stockage to satisfy customers' needs; dirty facilities, improper pricing, poor shelf-space allocation; poor quality meat and produce being sold; inadequate selectivity of products, inadequate cash-control procedures and conformance to procedures that did exist; preponderance of cashier (check-out) errors; long check-out lines due to poor cashier scheduling; excessive cashier overages and shortages; poor equipment maintenance and management; and a high incidence of safety and physical security violations.

Serious deficiencies existed in the financial management area. Accounting errors were not being identified via reconciliations between the commissaries and their host accounting and finance offices; and

required inventories were not being conducted accurately (and, in some cases, inventories were falsified to bring inventory losses within tolerance).

Numerous deficiencies existed throughout the spectrum of personnel management. Counseling of substandard employees did not take place (or, as a minimum, was not documented). Commissary officers and store managers did not delegate basic personnel duties and responsibilities (e.g., staffing, discipline, etc.) to their subordinate first-line managers and supervisors; performance appraisal was weak to nonexistent; incentive award and recognition programs were virtually nonexistent; training for both workers and supervisors was exceptionally weak; and knowledge of basic staffing and classification processes was weak to nonexistent. There was little knowledge of labor relation practices or of the provisions of local labor agreements. It was evident through review of almost all MEI reports that managers had not been trained in personnel management policies, procedures, programs and practices.

Basic warehousing practices were poor at many locations (pallets of merchandise stored on floors rather than in their required shelf locations, inhibiting the location and flow of merchandise from the warehouse to the store, which, in turn, affects customer service via not-in-stock merchandise).

The IG also established a strong fraud, waste and abuse prevention program to stem the tide of fraud, theft, and other forms of costly mismanagement which was growing in AFCOMS at that time. One aspect of the program was the encouragement of employees to report instances of fraud, waste and abuse they observed to management for action. Numerous instances have been reported since the inception of the program; all

were investigated and appropriate disciplinary action taken. The program is paying off for AFCOMS, but the preponderance of these instances and the fact that it took a strong program directed from the highest management level in AFCOMS to bring the fraud, waste and abuse under control is simply another serious example of the lack of management expertise that existed then and still, to a degree, exists in AFCOMS today. These problems would not have existed if commissaries and their respective complex headquarters were managed by professionally educated, qualified and experienced managers.

The AFCOMS commander also requested that all commissaries be audited by the AFAA. Many of these audits are still ongoing; however, results to date reveal significant deficiencies in midyear formal inventorying, ineffective evaluation of inventory variances, poor inventory planning and misstated dollar values in inventories. Additionally, audits revealed poor record keeping, document processing, inadequate safeguards for sensitive items, noncurrent produce scale calibrations, serious lack of internal controls in meat market operations resulting in serious shortages and mispricing resulting in higher prices paid by customers or losses to the commissaries resulting from lower prices.⁶

Finally, during the past two years the AFCOMS IG collaborated with the Air Force Office of Special Investigation (AFOSI) on major criminal investigations at three AFCOMS commissaries. Losses at these units were estimated in excess of \$1 million. Although there were a variety of "crimes" involving many employees, the common thread established during all three investigations was the highly inadequate management of the commissaries involved by the two respective complex headquarters involved.

In summary, AFCOMS was attempting to manage a two billion plus dollar business with a large management cadre that was sorely lacking in education above the high-school level. The results were inadequate productivity; unnecessary financial losses attributed to unabated fraud, waste and abuse, and outright theft; and a dissatisfied, poorly motivated work force. This relatively poor management was manifested by a lack of goals and of objectives at all organizational levels. Management was by exception and was reactive versus active. Personnel management per se was less than optimal--poor motivation, no knowledge of performance measurement and theory X was operative. Managers were generally lacking in the basic skills of delegating; communicating; decision making; planning, organizing and controlling; evaluating; rewarding, disciplining; and counseling. There was little knowledge of the human factors of administration and the importance of training had little value.

The obvious question is, "Why?" The answer is not simple, as this situation obviously did not evolve overnight. As stated earlier, AFCOMS was established to manage Air Force commissaries seven years ago. Prior to AFCOMS, base commissaries were managed by the respective major air commands and their services function per se. Commissaries were a small subset of the overall major command management scheme--little attention was given by top Air Force management. The "anyone can do this simple job" syndrome existed.

The commissary function looked upon collectively is indeed important as discussed earlier, and its magnitude and importance were recognized by a small handful of key people in the Air Force, Department of

Defense, and the Congress, who saw the need for centralized commissary management and were instrumental in the establishment of AFCLM's to do this highly important Air Force job.

Many commissaries were managed by non commissionned officers (NCOs) before AFCLM's activation and, with the activation, many of the management authorizations were converted to civilian positions. Unfortunately, there were few fully qualified and college-educated civilians available to fill these new vacancies. However, the job still had to be done and the only solution available at the time was to hire retired military people who had previously managed, or at least worked in, commissaries during their active duty careers, or even less qualified people from the civilian sector. These people grew as AFCLM's grew and the majority of the key GM 13/14 positions (mid- to senior-level managers at HQ AFCLM, the regions and complexes) were filled by these same individuals who progressed primarily because of a lack of competition. The situation continues today as retired NCOs are still being hired along with some civilians. Many of these people are very good; however, collectively, they lack the executive skills and experience that AFCLM needs.

Lest the reader be left with the feeling that AFCLM is a disaster area--be assured that it is not! Many commissaries received excellent ratings during the early inspection period discussed and the deficiencies mentioned above have generally been corrected throughout the commissary network. Inspection ratings have improved significantly while inspection standards have remained the same. The weak complex directors have all been weeded out and there is not a weak complex director in AFCLM today.

The problem is simply that the people identified to replace the poor complex directors were virtually the only available. There are few

available today to take their place. This executive mangement cadre is a relatively aged cadre and many will be retiring in the next few years--and again, there will be few available to replace them because AFCOMS does not have an executive development program that can cultivate and ensure the required management expertise throughout the future.

CHAPTER 5
EXECUTIVE DEVELOPMENT

Definitions

The Office of Personnel Management (OPM) mandates executive development programs throughout the federal government and defines executive development as a systematic process whereby executives, managers, and supervisors achieve management excellence by mastering the competencies that will allow their organizations to improve effectiveness and efficiency while responding flexibly to new demands. The development of executives, managers and supervisors is not a remedial process, but a positive strategy to increase excellence in government.⁷

To ensure no misunderstanding, some more finite definitions are in order:

Executive, as used in the context of this study and other studies reviewed, refers not only to every supervisor, including those on both the junior and senior levels within the organization, but also to persons not strictly executives who occupy important technical and staff positions which are hard to fill. The inclusion of all "supervisors" within the meaning of the term was decided upon because there are actually no dividing levels between executives and junior supervisors in comprehensive executive development programs. Each "rank" is included since each is the training ground for the next higher level.

Development refers to the individual's effort and achievement in increasing and improving his or her managerial and technical abilities. This effort can be guided by higher management's supervision and can be

aided by selected work assignments, courses of study, and other activities affording beneficial experience.

A program is a systematic, continuous and judicious treatment of the long-range problem of executive development in a company and the resourceful use of work assignments, on-the-job training and other means to assist key individuals to increase their productivity and competence.⁸

Why Executive Development?

The success of any organization depends upon the quality of the management of that organization. Willard E. Bennett, Superintendent of Labor Relations, Cities Service Refining Corporation, aptly summarizes the problem:

If one were called upon to name a management problem common to all business organizations, large and small, a problem so persistent that it has taken on the appearance of a morbid preoccupation in some quarters, that problem would be finding and developing competent management personnel. Management seems to have concluded that the answer to most management problems lies with management itself; that the degree of success of a business enterprise equates directly with the quality and performance of its management--at every level. . . . The inevitable conclusion is always reached: If managers are to function better, they must be educated and trained.⁹

The need for competent executives continues to grow and a greater managerial expertise is required. New programs, technological developments, and applications of new tools and concepts of management are only a few of the factors that drive this requirement. Scattered courses of training will never meet the demands placed on today's executives. The "status quo" is insufficient; maintaining it invites failure. One author reiterates this a little more succinctly: "Gaining the education, training and experience necessary for the development of future executives must be more than a series of happy accidents."¹⁰

Another author states:

Just as it is important to design the plan of organization to facilitate and meet the needs of management, so it is essential to develop personnel who come as close as practicable to meeting the requirements of the positions which constitute that organization and so to assure its full effectiveness.¹¹

Still another author states:

A broad reservoir of executive talent also depends on training of middle and lower grade personnel through the use of well-planned programs, not the haphazard manner in which most of the training has been done in the past.¹²

Finally, OPM states that:

Throughout the Federal government, serving the public interest requires management excellence--managerial behavior that results in the successful implementation of agency policies and programs. Executives, managers, and supervisors constitute the management team in Federal agencies. Maintaining the quality and efficiency of Federal programs depends on the responsiveness of an agency's employees who administer those programs. Achieving and sustaining management excellence within a management team requires that an agency ensure appropriate levels of expertise among its managers through management development, which recognizes that the competencies required of successful managers are generally distinctive and may not have been acquired in the circumstances of a specialized career or technical occupation.¹³

Executive Development Plan

Once the specific needs, i.e., positions, job, etc. for executive development have been identified, a definite plan to satisfy these needs can be formulated. Research of the literature and executive development programs within industry and the government reveal that executive development plans vary widely and are generally tailored to suit the unique needs of the respective organizations. Bricker specifically cautions that the suitability of programs should be determined by each organization, based on its own organizational and environmental characteristics.¹⁴ Regardless, most development plans reviewed had many or all of the following characteristics:

- The careful selection of candidates to fill the organization's needs.
- A comprehensive initial and continuation training program to meet job requirements.
- A gradual, systematic development of transition through selected responsible positions.
- An effective system of control over the appointment of personnel to responsible positions.
- The disposition of those individuals proving inadequate to fill key positions or move up in the organization.
- The definite assignment of responsibility for developing, guiding and coordinating the entire program.

Selection

The most important source of management talent, and the one to which most attention is paid, is the country's colleges and universities. A second source is the successful advancement of members of the rank and file of the organization to fill positions for which they can adequately qualify. This has the effect of improving morale in the entire organization and of creating incentives and outlets for the better people in the rank and file.

In most companies, a mix of these two primary sources is used and ratios are established to show the portions of management positions that are to be filled by university graduates and those to be filled by promotion from within.

Although most organizations attempt to recruit from the campuses and develop their own personnel for executive positions, there is obviously

a third source of potential executives--hiring outsiders that have already proven their ability, at least to some extent.

Training

Once an adequate number of potentially talented personnel have been selected and obtained, the next step in achieving a uniformly high caliber of individual is by training.¹⁵ This training is a continuing requirement and applies to all levels of management. Training, too, must be tailored to the organization; however, a degree of commonality in training was also identified in executive development programs reviewed. Most programs included initial or orientation training, specialist and supervisory training, and executive training. Initial or orientation training familiarizes the trainee with the organization, its functions, and how the trainee fits into the scheme of things. Specialist and supervisory training is given at the middle management level, and encompasses financial management and internal controls, personnel management, quality control, and planning, etc. Executive training both trains executives how to function effectively in their present jobs and prepares them for higher executive positions in the organization. This training includes successive planned employment as well as formal courses to provide necessary qualifications not attainable through experience alone.

The above is not a panacea, there are many other training methods to choose from, e.g., formal training, on-the-job training, job rotation, understudy, special work projects, and a variety of ways to train through group activities. Organizations should select from the variety of approaches available in determining the best and most economical method(s) of fulfilling their individual and unique development needs.

Selected Assignments

Miles L. Mace, in his article "Developing the Executive of Tomorrow," states that the most effective way of developing administrators or executives is through the performance of day-to-day requirements of the job--"essentiaaly and simply, people learn by doing."¹⁶ Potential executives must have opportunities to practice their skills and exercise their capacities if they are to prove themselves in their present position of responsibility and to display their potential for further upward mobility. Urwick adds that the essence of proper management development is "progressive accumulation of a series of working experiences of the right kind, in the right order, and under the right kind of supervision."¹⁷

It is desirable to consider and record for each position in the organization, the jobs in which the potential executive preferably should have served. It should also indicate the logical order for promotion. This will crystalize and make effective the program of executive development through service in a logical sequence of well-selected assignments. Note, however, that qualifications should not be hard and fast in each instance because of variables which include the availability of personnel to fill vacant positions.¹⁸

The above primarily concerns the upward mobility aspect of selected assignments. Rotation between positions at a given level in the organization is also an integral part of the selected assignment portion of executive development. However, rotation may be expensive unless one has specific objectives in mind for specific individuals. Emphasis should be on "earn your way up," not "learn your way up." Rotation should follow, not precede appraisal and counseling of individuals. It should be used only in individual cases where some individual developmental purpose is

served. In any event, rotation should be used for an individual only after he or she has demonstrated executive talent in a limited area of operation. Individuals may then be rotated for the purpose of broadening their knowledge of the organization.¹⁹

Control and Disposition

Control, in the context of executive development, encompasses methods of tracking and controlling progress through the development program, performance appraisal, and related counseling, and the termination of those who fail to progress if necessary.

As indicated above, each participant in an executive development program should have a specific plan which identifies the various job assignments (entry, lateral and upward), the amount of time management desires be spent in each position, planned start and completion dates, actual completion dates, level of performance, etc. Many other factors can be included, depending on the needs and requirements of those that are managing the program. The point is plans can be flexible, but there must be a plan, and it must be maintained and monitored to help ensure the success of the overall program.

The study of executive development in industry and government reveals that performance appraisal is the keystone in the development process. Regardless of the method of training used, the effective outcome of the program depends upon the individual being trained.²⁰ The individual's strengths, weaknesses and potential for future growth must be identified and evaluated. Changes to individual development plans can and should normally result from the appraisal and evaluation--or the individual can be terminated from the program if the evaluation

indicates that this is appropriate (errors are made in selections; appointees start to coast; they fail to stay up with the times, or in some other way fail to meet the needs of the particular job).

Counseling follows and, of course, is closely related to the performance appraisal and evaluation. The trainees need to be told how well or how poorly they are progressing. Rieger states that counseling should also focus upon the individual's objectives and their relative importance, upon their attitudes, and their behavior in a broad and fundamental sense. Counseling, in the context of the executive development program, should be concerned with the individual's point of view, long-term goals and full development of his or her latent power.²¹ Failure to counsel tends to negate the effect of the appraisal and an employee with potentially good upward mobility may be inadvertently eliminated from the executive development program simply because of the failure of the supervisor to communicate.

Assign Program Responsibilities

It is evident from the foregoing that an executive development program is comprised of a multiplicity of tasks and requires a great deal of management if the success of the program is to be assured. To get this assurance requires a carefully conceived, well-coordinated and directed program for the organization as a whole. This program will not likely result from the casual efforts of individuals. All authors feel strongly that a function must be formed and charged with the responsibility for and the day-to-day management of the program. Most authors feel this function logically falls within the personnel department; however, one author provides a dissenting viewpoint: "Letting the personnel office

handle the program is a pitfall--in order to be successful, the line organization must 'buy' the program wholeheartedly; the personnel office has an important advisory function, but should not have basic responsibility for the program."²²

Pitfalls in Executive Development Programming

A few words of caution regarding executive development plans, per se: The formal plan of executive development is not the essence. One must be careful not to "freeze" the wrong kind of thinking into the organizational plan. Hold up formal planning until the organization has a mature view of what it takes to develop an individual.²³ Finally, a list of common pitfalls in executive development programming:

- Emphasizing the "program" as such.
- Many organizations set up programs without an understanding of what personnel in the organization will accept.
- Successful "programs" can operate even without their being so designated.
- Riding the "bandwagon." Many organizations jump into programs because it is the popular thing to do. Do not stop to analyze their own requirements. Executive development must be designed to help line officials do their job. Therefore, executive development plans must be tailor-made to the needs of the organization.
- Adopting plans from some other organization which have been successful. Authorities are virtually unanimous in warning against this kind of thing.
- Tying to promotion programs.

- Executive development should not be tied to promotion programs. When individuals are being groomed for promotion and know it, they may do a poor job in their present positions.

- Proper emphasis is to develop individuals to do a better job in the ones they are in. Promotions then come as a reward for better performance; they do not come as a reward for development as such.

- Spending too much money in analyzing needs.

- One doesn't need a "\$500,000 management engineering survey" to analyze needs. Many needs will be apparent immediately without extensive and expensive analysis. Start with solving these.

- Very simple techniques have often proven to be the best developmental devices.

- Emphasizing "Crown Prince" idea.

- Tagging of a select group as replacements for present executives may damage morale.

- Overemphasizes replacement table idea.

- Puts emphasis upon a static rather than a dynamic organization.

- The development of too many formally designated "replacements" may cause trouble if they cannot be later placed.

- Executive development is a line responsibility.

- Participation at all levels of management is essential.

- To be most effective, it must be actively supported by top management.

- Only top management can create the proper environment for successful operation of executive development processes.

- Program must be inexpensive to operate.
- Program should aim at developing executive to do a better job where he or she is. Deemphasize preparing people for promotion.
- Emphasizes "how" rather than "what."
- Emphasis is switched from what is being produced to "how it is done."
- Emphasis is concerned more with the development of management skills than with technical skills.²⁴

Summary

Executive development programs and program planning in particular, as presented in this chapter, have been based primarily on the writings of experts in the field of industrial management--the ideas and philosophies apply equally to government organizations--as evidenced by the specific regulations and pamphlets issued by the federal government. Again, the above is not a panacea. A good executive development program will be a program tailored to the needs of both the organization and the individual and, in fact, every effort should be made to identify the point where these needs are identical.

CHAPTER 6

EXECUTIVE DEVELOPMENT PLAN FOR AFCOMS

As stated earlier, AFCOMS needs a formal executive development program for its commissary management specialists. The program should be tailored to its own unique management needs--again, a \$2 billion plus grocery business (and troop issue function) utilizing almost 10,000 people in 137 locations throughout the world. Its mission and multi-faceted and complex management structure and current management problems have been described in detail in the preceding chapters. This chapter outlines a suggested executive development program to help meet the challenges AFCOMS faces in the years to come.

Potential Executive Positions

As stated in Chapter 3, commissary management specialist positions are generally supervisory positions at commissary level, and both supervisory and staff positions at complexes, overseas regions and HQ AFCOMS levels. The key or executive positions (in the view of this author) from the standpoint of overall mission success are those of the complex director (GM 13/14); the deputy to the overseas region commanders (GM 14); the division chief positions in the directorate of operations, HQ AFCOMS (GM 14); the deputy director (GM 14) and director of operations (GM 15) HQ AFCOMS; the deputy inspector general (GM 14), HQ AFCOMS; and the deputy to the commander, HQ AFCOMS (SES)--a total of 24 key executive management positions. There are 473 positions throughout the AFCOMS network from which to develop the executive management talent and expertise to fill these key positions as they become vacant. These positions include the department supervisory positions at commissary level, a

variety of staff positions at complex and overseas region level, the deputy complex director's positions, a variety of staff (to include branch chief) positions at HQ AFCOMS and the three inspector general team chief positions also at HQ AFCOMS.

Executive Development Plan

As stated in Chapter 5, an executive development plan is needed to organize and formalize the program and to tie the basic facets of the program together. The program suggested in the remainder of this chapter principally follows the outline developed in the preceding chapter.

Selection

The need for more college graduates in AFCOMS has been identified and stressed throughout this study because there are relatively few in the organization at this time. This is not to suggest, however, that all supervisors and managers need be college graduates. It is merely to suggest that the ratio of college graduates to noncollege graduates (presently 12.9 percent) needs to be higher and that a college degree be a mandatory prerequisite in filling the key positions mentioned on the preceding page. A more extensive and aggressive effort to recruit from the college campuses needs to be made. AFCOMS must first determine an optimum ratio of college vs noncollege graduates and should then actively pursue the achievement of that ratio. Some efforts are presently being made and they have been fairly successful, but more needs to be done. The effort has been somewhat passive (letters and flyers to universities, etc.). Considering the inherent difficulties associated with Civil Service recruitment, a much more active (beat the bushes) approach should be pursued (visit campuses, take advantage of career days, etc.)--actively

sell the merits of a career in AFCOMS to students on a face-to-face basis. Ideally, recruitment should be at the freshman and sophomore levels so that potential selectees can tailor their remaining course work to better prepare themselves for their future careers in AFCOMS (a business management program with emphasis on finance, personnel management, marketing, etc., and courses specifically tailored to the grocery industry which some universities offer). A final word on recruitment in government:

Intensive recruiting is the primary action called for to promote the quest for quality. The time has long since passed when a public agency can accept passive recruiting as an answer to the staffing question. The quality needs of public agencies must be expressed in competition with other employers at the sources of talent. Bold new programs are no longer merely desirable, they are essential.²⁵

The second source of candidates is the rank and file. AFCOMS is, to an extent, attempting to identify their better commissary management specialists for grooming and future movement up the organizational ladder; however, this has been a largely informal "hit and miss" system (some complex directors do a good job of identifying their good people and moving them into more responsible jobs within their complexes; others do nothing). It is this author's opinion that a great deal of potential executive talent and leadership is overlooked. A formal program of identification and selection is needed wherein complex directors and overseas region commanders are required to periodically identify and nominate their best people to a central selection board headed by either the AFCOMS Commander (major general) or Deputy. This board should also be responsible for periodic review of the individuals selected into the program and should ensure that those that are performing either at or above the desired level continue their upward progression. This formal

review process will also help ensure against the program becoming dormant--it will keep the program alive and well. It will also facilitate the disposition of those that are not performing or progressing to the degree desired.

The third source of potential executives is, of course, "outsiders." Recognizing that this form of selection is constrained by a wide range of bureaucratic rules and restrictions beyond the control of AFCOMS, there is room to maneuver and every effort should be made to do so because there is a potential reservoir of talent in the commercial grocery industry ready and willing to join AFCOMS and would do so if only they knew they could. There are ways within the bureaucratic system to accomplish this:

- Solicit off-the-street applications through regional and local Offices of Personnel Management, i.e., use the Federal Register system to the extent possible.

- Advertise and recruit through professional organizations, e.g., the American Logistics Association, etc.

- Advertise in newspapers and professional publications.

- Be aggressive:

- Contract with management engineering firms and do a little "head hunting."

- Ask each complex director to identify the top five people in the grocery industry that he or she does business with--then actively recruit these people.

Once selections have been made, consideration should be given to sending those candidates with the highest potential but who have not yet completed their college degree requirements to universities to

finalize their requirements--a program similar to the Operation Boot-strap Program now available to military personnel]. There is a great deal of expense associated with a program of this nature, depending upon the number of participants; however, the payoff can be tremendous.

Finally, serious thought should be given regarding the use of a college co-op program within AFCOMS. These programs are fairly common in the Air Force and entail the assignment of two individuals to a single Unit Manning Document (UMD) authorization. One individual actually performs the work required of the authorization while the other attends college for a semester (either at their own or the activity's expense) and then they swap, the former attends college the next semester while the latter works for the organization. This "swapping" continues until both employees have attained their college degrees and then both are assigned to vacant authorizations within the organization. Any number of positions can be designated as co-op authorizations on the UMD. Co-op programs presently used by HQ USAF/AC (HQ USAF/ACB, AFAFC, etc.) have proven to be highly successful and can go a long way towards satisfying AFCOMS' educational and executive development needs as well.

Training

The next steps following selection are training and selected assignments which take place simultaneously. This section deals with the training aspect per se.

There are many training programs presently available to and in use within AFCOMS. However, there is no orientation program for newly hired "management trainees." Accordingly, a one-week seminar that acquaints new management trainees with the AFCOMS mission, their roles in the accomplishment of that mission, current initiatives, issues and

problems and the details of the executive development program, etc., is recommended as the first in a series of formal training initiatives. Secondly, base civilian personnel offices (CPOs) mandate that all supervisors enroll in basic supervisory management courses conducted by the CPOs. However, although these courses are mandatory, some do not attend. Management (local commissary officers and store managers) should ensure that all attend as these courses are important and the training is needed.

The Air Training Command (ATC) offers a Commissary Operations Course at Lowry AFB CO, wherein most all of the facets of commissary operations are taught. Attendance at this course should be mandatory for all newly recruited commissary management specialists. Also, there is a view among many executives within AFCOMS that this course does not necessarily meet the course objectives, i.e., too much unnecessary emphasis is placed on some areas and too little on others. The course needs to be redefined and restructured to satisfy the present needs of AFCOMS and the trainees.

AFCOMS, in conjunction with the Cornell University, conducts a series of one-week seminars for AFCOMS' "middle managers." These seminars are excellent and are designed for supervisors and managers that have progressed beyond the "entry" level of their training program and are now aspiring for and are ready for further advancement. The problem is that the right people do not attend in all instances. Quotas are established and are often filled with people who have attended previously and low-level clerks and workers (as opposed to supervisors). This is at the expense of the people for whom the seminars are designed and who should attend. This is basically the result of the age-old problem of local managers saying that they cannot afford to let their people attend. They

cannot afford not to let their people attend, and AFCOMS needs to correct this problem and thus enhance a vital portion of their overall training program. A suggested "correction" is to have the Central AFCOMS Selection Board discussed on p. 30 responsible for this seminar selection and attendance as well. If this is not feasible, then, as a minimum, selection should be made by an appointed panel of key HQ AFCOMS personnel, based on nominations from the complex directors and overseas region commanders.

Finally, HQ AFCOMS conducts a series of periodic seminars for store managers and commissary officers, as well as other key personnel that have risen to positions above local base commissary level. These seminars stress the important aspects of the commissary "business," customer service, merchandising, financial management, internal controls and personnel management, etc., and cover many of the current problems associated therewith. These seminars are excellent and should be continued.

In summary, AFCOMS has already done a great deal in establishing and conducting training programs for its people. What is required are some minor modifications to the individual courses of instruction where needed, along with establishing a formal system that ensures that personnel selected into the executive development program attend the right course at the right time.

Thus far the discussion has dealt with what is basically formal training and, as Chapter 5 mentions, there are obviously other training methods. However, since executive development largely concerns the individual, these other methods should be tailored to the individual person--there is inherent flexibility in these methods and this flexibility

should be used advantageously to satisfy both the individuals' needs as well as the needs of AFCOMS.

Selected Assignments

Equally important and concurrent with training are the successive jobs in which the potential executives should serve. Thus, the individual executive development plans should include a logical sequencing of jobs that reflect both lateral and upward movement through AFCOMS. The logical order for promotion should also be included in this sequencing; however, care should be taken to avoid turning the executive development program into a promotion program per se. As stated earlier, promotion should come as a reward for performance, not development per se.

A suggested development or training record for AFCOMS is offered in Appendix B. The job assignments are somewhat general and the suggested record is offered as merely a basic road map for monitoring and controlling the training and experience progression through the organization. The reader is again reminded that individual work plans should be tailored.

Note that almost all supervisory positions within AFCOMS are represented in this schedule. Again, this record is merely a suggested guide and it is not suggested that all "squares" be filled before an individual can be considered qualified for the higher level positions. Exigencies such as unprogrammed vacancies, etc., will definitely preclude this and it is recognized that some better performers will not need training and experience in all areas; however, these should be the exception rather than the rule.

This suggested record does not include the formal training programs discussed earlier. Participation in these programs should be

monitored and thus factored into the record at intervals desirable to both the managers and individuals concerned. A sample flow plan that encompasses this suggested executive development program and includes both mandatory and desired (local and nonlocal) formal training programs is provided at Appendix C.

Control and Disposition

Chapter 5 emphasized that there must be a specific plan which delineates job assignments, time to be spent in each assignment, etc. Chapter 5 also stated that performance appraisal and attendant counseling must also take place and is perhaps the most integral and important part of the development program. There is no need to repeat or belabor the importance of appraisal and counseling any further. The discussion in Chapter 5 is precise and pertains to executive development in any organization.

The suggested progression schedule includes a performance profile column merely to allow the record to reflect management's views and to show an indicator as to whether and to what extent the individual is ready to progress further, if at all. But, this is merely a record as to what has taken place--a thorough appraisal followed by good constructive counseling is necessary.

Assign Program Responsibilities

The executive development program must be managed and managed well if it is to produce the desired results. Although many companies in industry and organizations in government assign this important responsibility to their personnel function and some others assign the program to a line function (generally operations), a combination of both is recommended for AFCOMS. A selection committee headed by the AFCOMS Commander

or Deputy was recommended earlier in this chapter. This same committee, whose membership is comprised of the senior staff directors of the headquarters, should be charged with the overall responsibility of managing the program to include program formulation, recruitment and selection in, monitoring progression, quality of training, promotion, or selection out, etc. Recognizing that there is a great deal of work load associated with program maintenance and management, the personnel function should be charged with the administrative work load associated with the specific recruitment program, delineation of program parameters to the AFCOMS network, record keeping, and progress reports to the executive committee.

One final point, the work load associated with good program maintenance can be tremendous. The personnel function should be given sufficient dedicated manning to do the job right. The only other option is to assign the work load to some other personnel management specialist who is already gainfully employed--the job will probably still get done, but on a haphazard catch-as-catch-can basis.

CHAPTER 7

SUMMARY AND CONCLUSIONS

This study has attempted to justify the need for an executive development program within the Air Force Commissary Service. The justification is based on a portrayal of AFCOMS' highly important mission and responsibilities, and the extensive organizational structure required to manage the vast worldwide AFCOMS network. The mission and statistical information in Chapters 2 and 3 support the assessment of the management effort required.

AFCOMS is accomplishing its mission quite satisfactorily--commissary operations throughout the Air Force have indeed improved significantly since AFCOMS' inception in 1976. However, there are problems, as depicted in Chapter 4, and much more needs to be done.

The study has also discussed the general composition of the professional management staff charged with the accomplishment of the mission, how this staff was acquired and how it has been developed through time. There has been little professional development per se and the study has attempted to justify the need for this development.

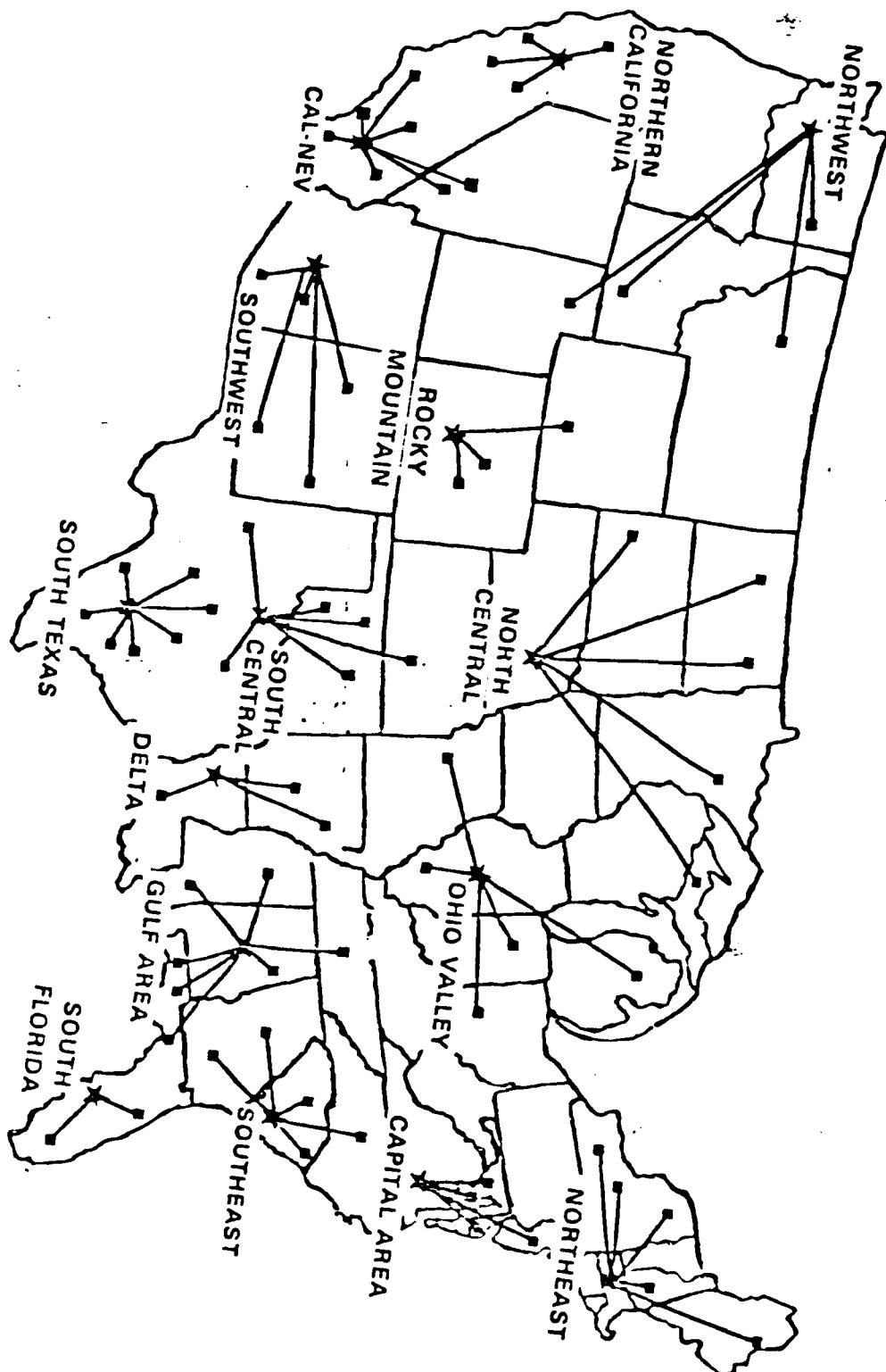
Of particular concern is the general lack of college-educated managers. This is not to say that all base commissary officers and store managers should have a college degree. It does not necessarily hold that a college degree is a requisite for managing a commissary. However, many of those that hope to progress through the complexes and HQ AFCOMS (the senior management structure) should possess a college education. AFCOMS needs many more college-educated managers than it now has.

OPM states that the vast majority of managerial positions in the federal government are filled by men and women selected because of technical qualifications demonstrated in a specialized profession or career field. The nature of managerial competencies, however, establishes management as a distinct second profession for which the technical competencies of the first profession become collateral. The managerial role must be prepared for with careful deliberation and analysis.²⁶ This preparation should begin with a college education which is probably the single most important source for management talent throughout industry and government, recognizing, of course, that there are other sources and that not all college graduates are "stars." Regardless, effort should be made to "tap" the college campuses and, as the study shows, this is not being done to any significant degree by AFCOMS at this time.

A second concern as discussed earlier is the general aging of the AFCOMS management staff, as depicted in part by the number of retired military people. The complex directors and senior AFCOMS staff is a relatively aged staff. Consequently, AFCOMS may be experiencing many retirements in the not-too-distant future. Is there a sufficient number of capable and proven younger managers ready to move up? Some yes, but not enough.

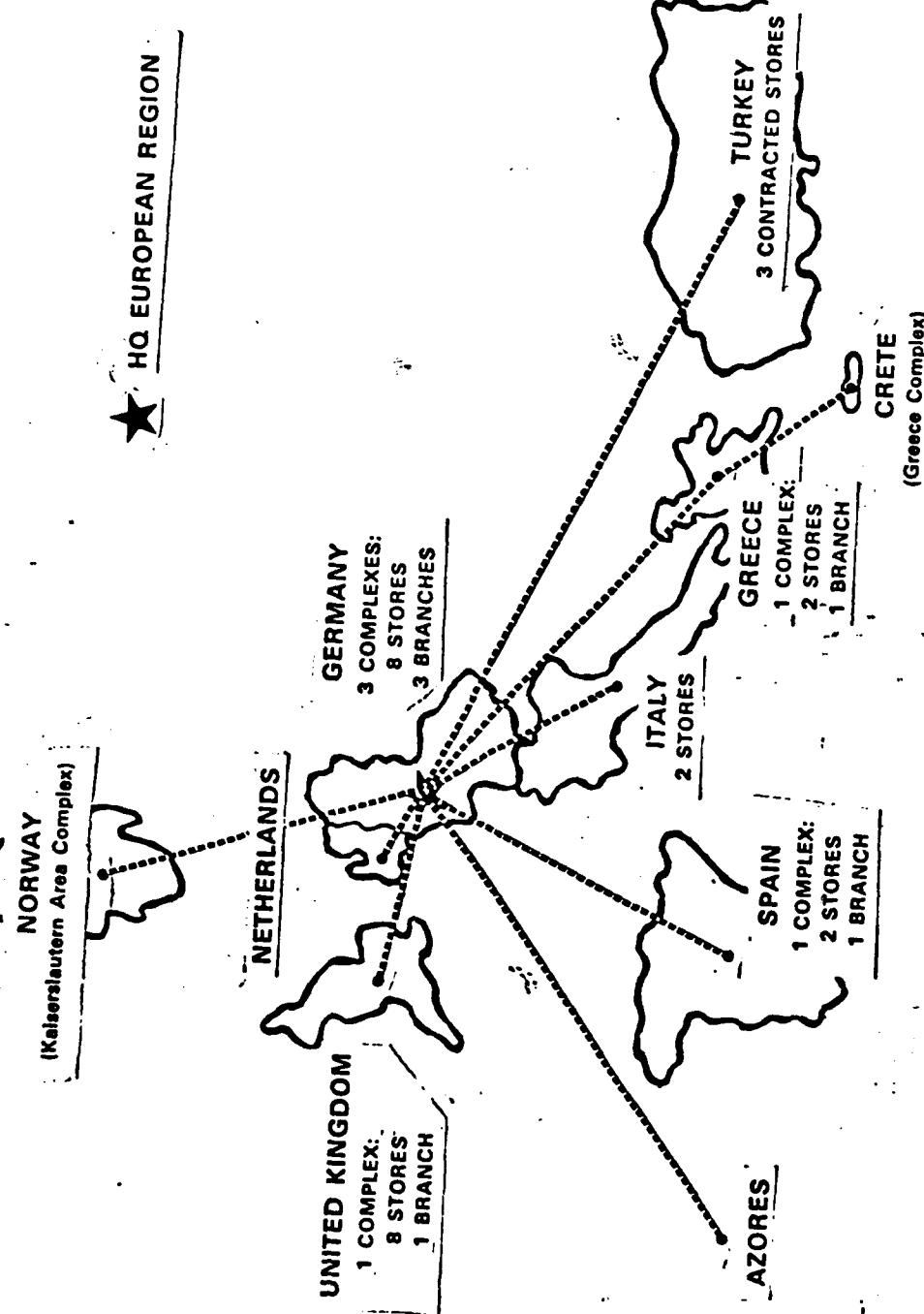
Formal executive development needs to begin now. This study has also discussed the general features and requirements of executive development programs and has tried to skeletonize a program for AFCOMS. It is merely an outline or point of departure and recognizes that a major effort will be required by AFCOMS to develop and implement a substantive and finite executive development program that will meet their future long-range management needs.

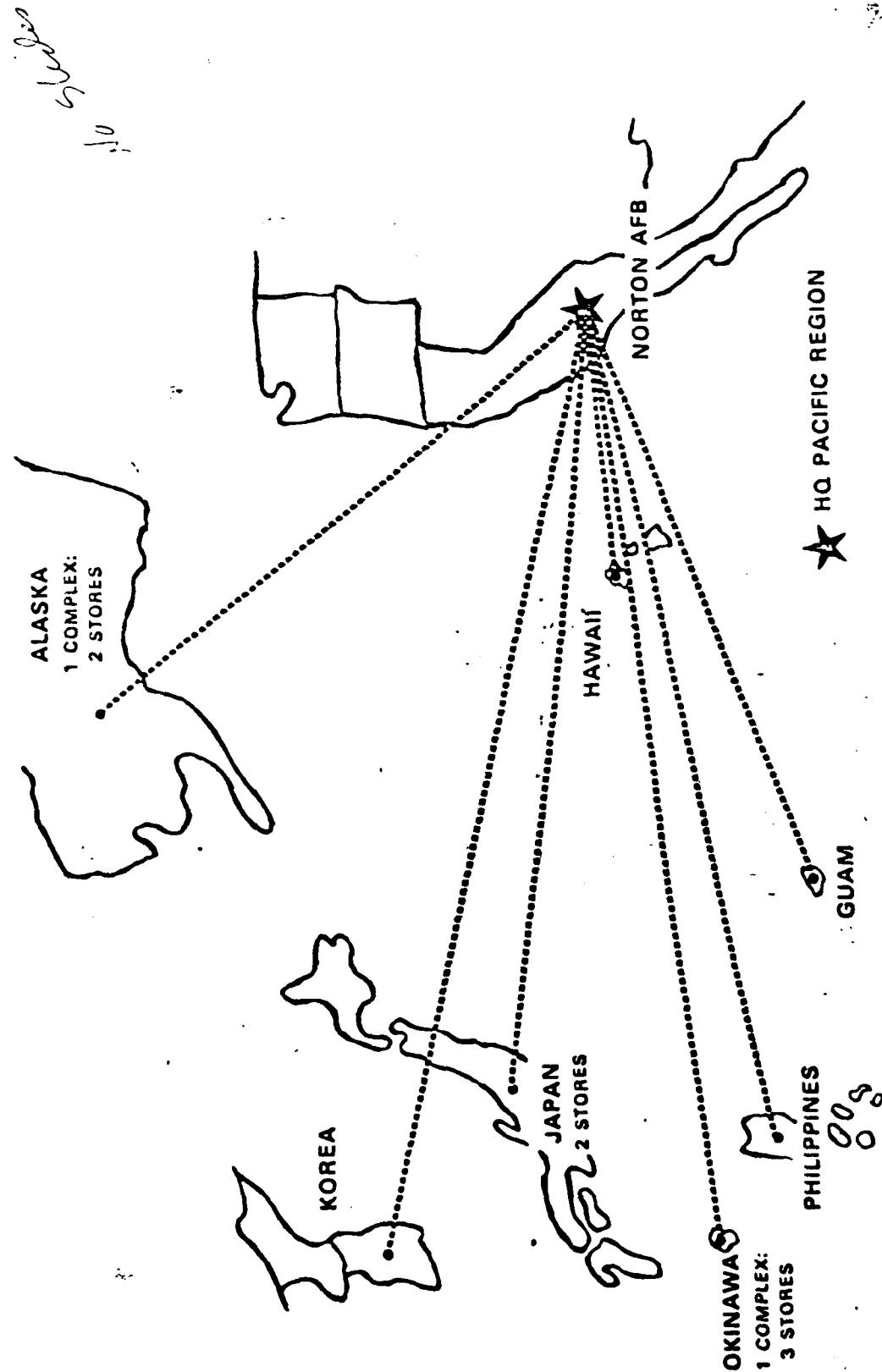
APPENDIX A
AFCOMS COMPLEXES



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APPENDIX B

Executive Development Progression Schedule

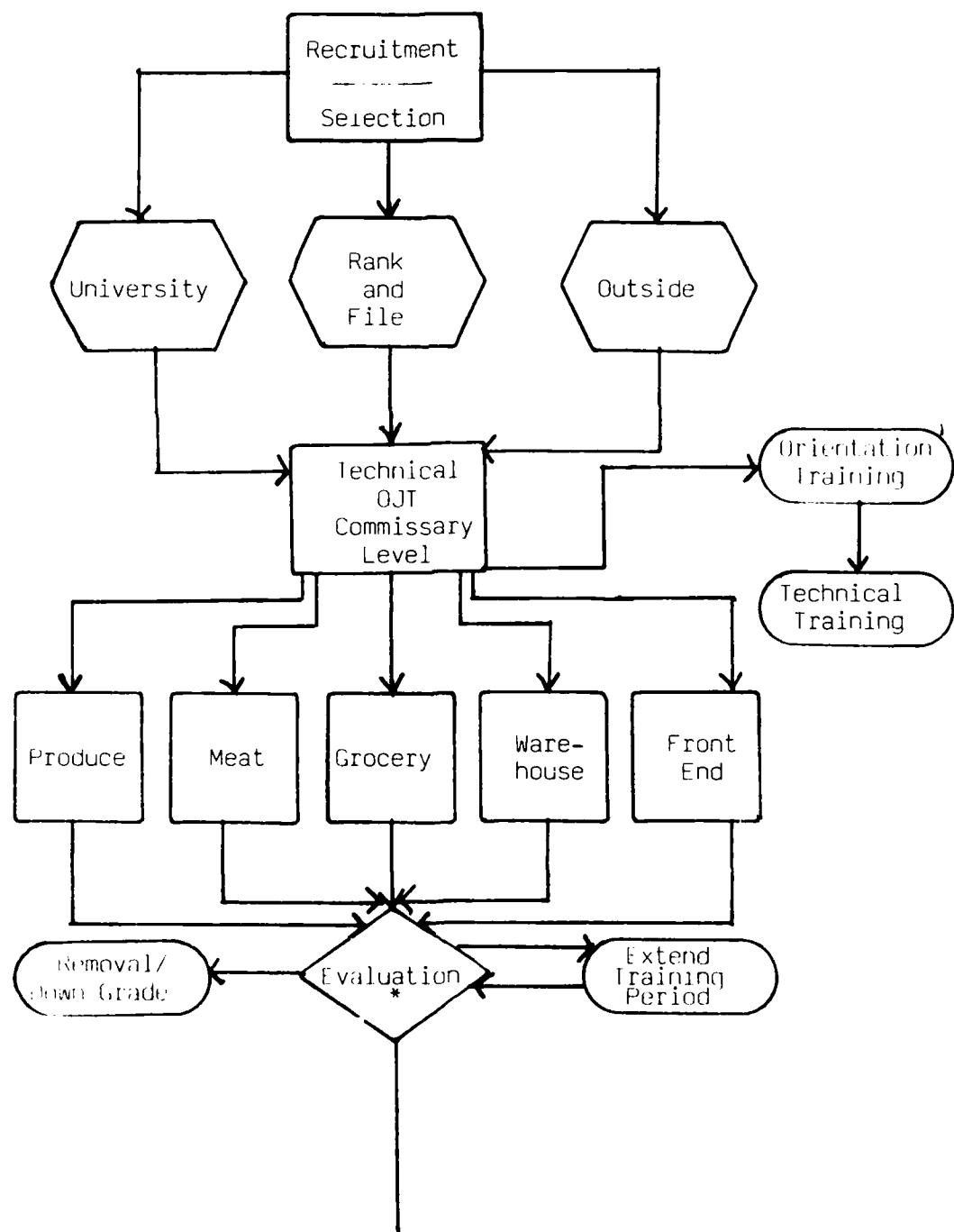
<u>Assignment</u>	<u>No of Weeks/ Months Planned</u>	<u>Dates</u>		<u>Date Completed</u>	<u>Rating</u>
		<u>From</u>	<u>To</u>		
<u>Technical OJT</u>					
Produce					
Meat					
Warehouse					
Grocery					
Front-End					
Troop Support					
<u>Manager</u>					
Produce					
Meat					
Warehouse					
Grocery					
Asst Store Mgr					
Store Manager					
Commissary Officer					
<u>Complex</u>					
<u>Operations</u>					
Grocery					
Meat					
Produce					
<u>Administration</u>					
Surcharge					
Troop Support					
Item Manager					
Deputy Complex Director					
Complex Director					
<u>HQ AFCOMS</u>					
Subsistence Div Chief					
Systems & Procedures Div					
Policy & Proc Br					
Systems Supp Br					
Division Chief					
Operations & Mgt Div					
Mdse & Inv Mgt Br					
Staff Asst & Tr Br					
Division Chief					
Cont Fac & Equip Div					
Fac & Equip Br					
Contr Br					
Division Chief					

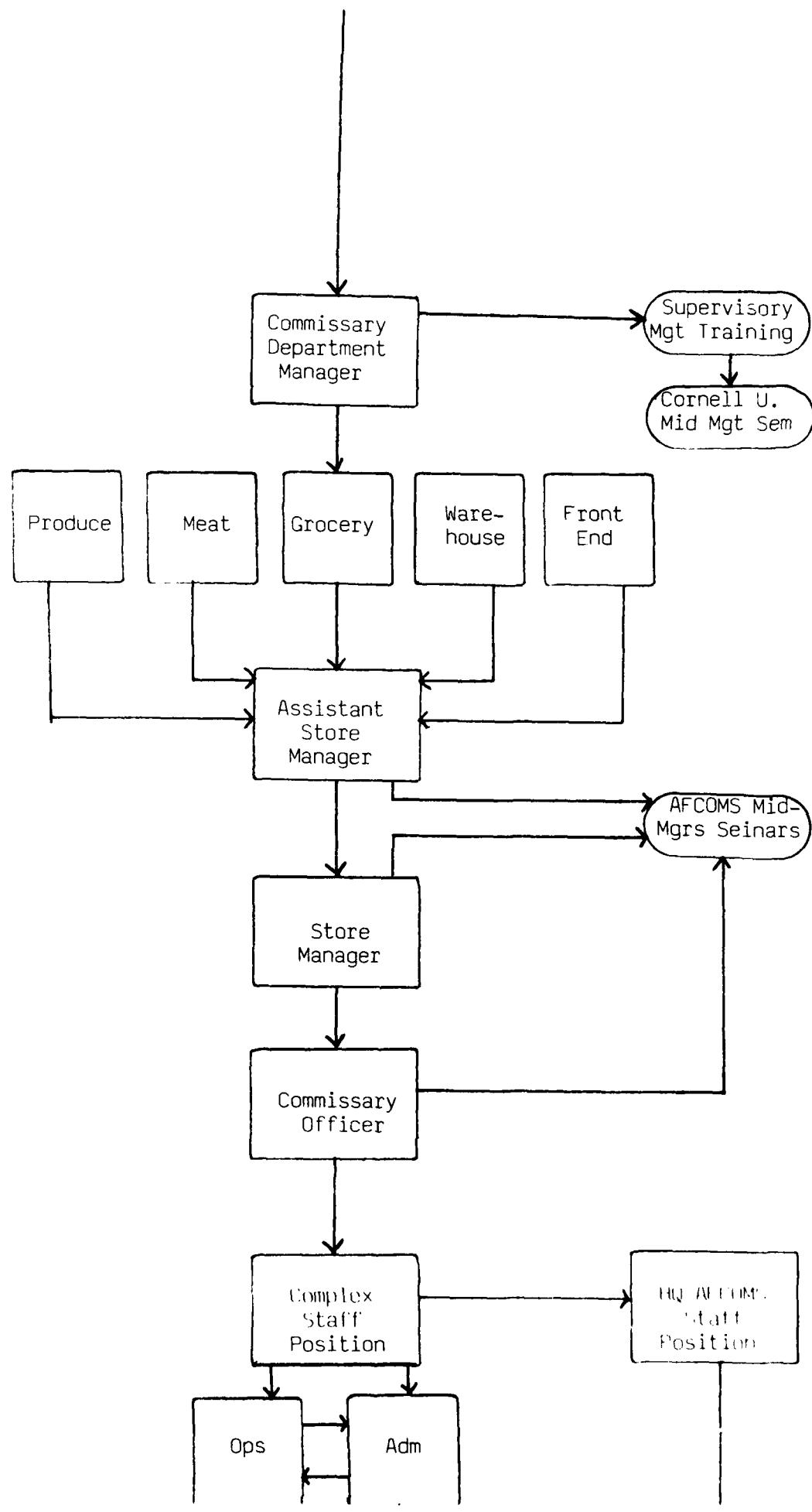
<u>Assignment</u>	<u>No of Weeks/ Months Planned</u>	<u>Dates</u>	<u>Date Completed</u>	<u>Rating</u>
		<u>From</u>	<u>To</u>	<u>O S M U*</u>
Deputy Director of Ops				
Director of Ops				

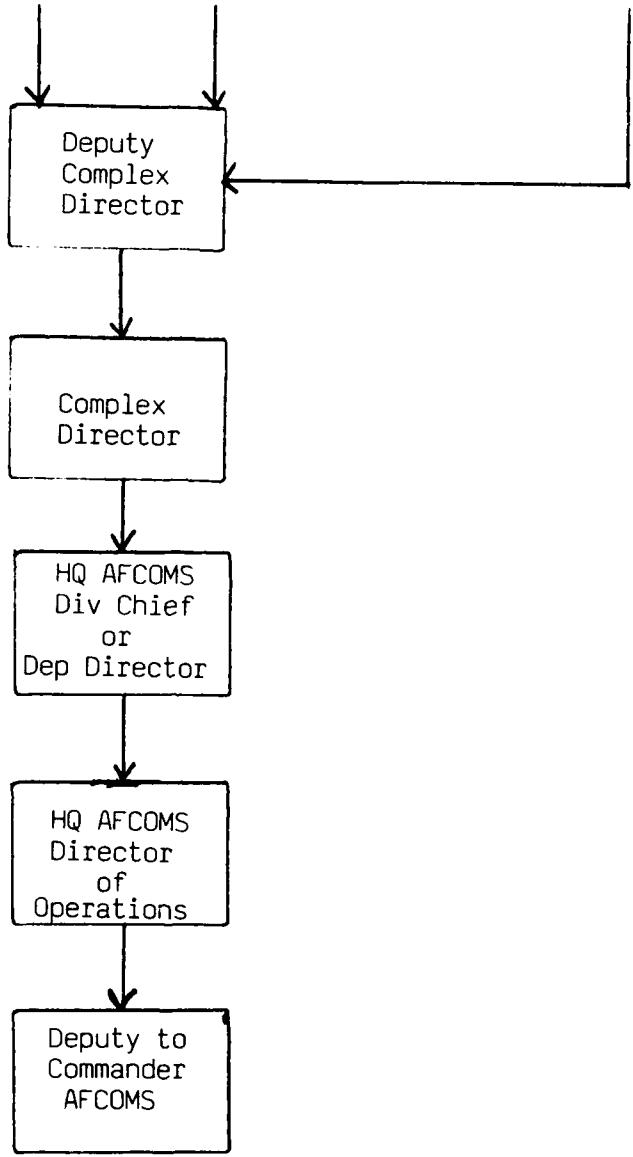
* O = Outstanding
 S = Satisfactory
 M = Marginal
 U = Unsatisfactory

APPENDIX C

AFCOM'S EXECUTIVE DEVELOPMENT PROGRAM
SUGGESTED FLOW CHART







*Evaluation step should be completed between each progression to the next higher level.

FOOTNOTES

1. Mission Briefing, HQ Air Force Commissary Service (AFCOMS), Kelly AFB, Texas, 9 Jan 1985.
2. Ibid.
3. Atlas Variable Inquiry - Standard Run #159, AFCOMS Personnel Data Base, 3 Dec 1984.
4. Ibid.
5. Atlas Variable Inquiry - Standard Run #859, AFCOMS Personnel Data Base, 25 Jan 1985.
6. Deficiency data utilized in Chapter 4 was extracted from numerous HQ AFCOMS/IG Management Effectiveness Reports and Air Force Audit Agency Reports of Audit presently on file at HQ AFCOMS.
7. Office of Personnel Management, Federal Personnel Manual System, FPM Letter 412-4, Executive, Management and Supervisory Development, para 1-1a, attach 3, 18 July 1984.
8. John W. Riegel, Executive Development: A Survey of Experience in Fifty American Corporations, Ann Arbor, Michigan; University of Michigan Press, 1952, pp 2-3.
9. Willard E. Bennett, Manager Selection, Education and Training, New York: McGraw-Hill, 1959, p. 1 in Executive Development in the USAF--An Evaluation, Air Command and Staff College Thesis, by Major Donald C. Lance, 27 April 1963, pp 5-6.
10. L. L. Bethel, F. S. Atwater, G. H. E. Smith and H. A. Stackman, Jr, Industrial Organization and Management, New York: McGraw-Hill, 1950, p 531 in Executive Development in the Royal Canadian Air Force Supply Branch, US Air Force Institute of Technology Student Thesis by Squadron Leaders Erving O. Hardy and John C. Law, RCAF, August, 1964, p 18.
11. Paul E. Holden, Lounsbury S. Fish and Hubert L. Smith, Top Management Organization and Control, New York: McGraw-Hill, 1951, p 104 in Executive Development in the Royal Canadian Air Force Supply Branch, US Air Force Institute of Technology Student Thesis by Squadron Leaders Erving O. Hardy and John C. Law, RCAF, August, 1964, p 18.
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